CHINDEX INTERNATIONAL
CONFERENCE CALL TO DISCUSS
FISCAL 2007 FOURTH QUARTER AND FISCAL YEAR END PERIOD

WEDNESDAY JUNE 13, 2007 - 11:00 AM EASTERN

COMPANY PARTICIPANTS: Roberta Lipson, CEO
Lawrence Pemble, CFO

Host will introduce the call and Roberta Lipson. Opening statements will be prerecorded followed by Q&A moderated by the host. Moderator introduces the call:

Roberta Lipson:

Good morning to you all. I am Roberta Lipson, CEO of Chindex International. It is my pleasure to welcome you all to this conference call in which we will discuss the Chindex International fiscal year 2007 year end results. We have recorded our initial comments in advance which will be followed by a live Q&A session. Joining me in on the call is Lawrence Pemble our CFO.

Before I proceed with my summary of operating results for the periods and an update on recent events, I will ask Larry to read the Safe Harbor Statement. Following my comments Larry will add some additional comments. Then we will turn to Q&A.

Larry, will you read the Safe Harbor Statement?

Larry Pemble:

Yes, thank you Roberta and good morning everyone.

Statements made in this conference call relating to plans, strategies, objectives, economic performance and trends and other statements that are not descriptions of historical facts may be forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the “Securities Act”), and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). Forward-looking information is inherently subject to risks and uncertainties, and actual results could differ materially from those currently anticipated due to a number of factors, which include, but are not limited to, the factors set forth in documents filed by us with the Securities and Exchange Commission from time to time, including, without limitation, our annual report on Form 10-K for the year ended March 31, 2007 and interim reports on Form 10-Q. Forward-looking statements may be identified by terms such as “may”, “will”, “should”, “could”, “expects”, “plans”, “intends”, “anticipates”, “believes”, “estimates”, “predicts”, “forecasts”, “potential”, or “continue” or similar terms or the negative of these terms. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance or achievements. We have no obligation to update these forward-looking statements.

Roberta Lipson:

Thank you Larry.

We announced our March 31, for fiscal year 2007 results in a press release this morning which included our full Income Statement, Balance Sheet and divisional results for the period. Assuming you have had a chance to review the press release and can refer to the specific numbers, as we have done in the past, I will use this call to summarize operational results for the full year and the recent quarter and give updates on the current and upcoming issues in each division of the business followed by an opportunity for live Q&A.

Our overall performance for fiscal 2007 was excellent. We reported 17% consolidated top line growth and net income from continuing operations improved almost 18-fold to $3.0 million.

Our objectives for fiscal 2007 were to continue strong growth in revenues and increased profitability in the Healthcare Services division and to regain historical growth rates and profitable operations in the Medical Products division. I am pleased to say that we more than exceeded our expectations in the Healthcare Services division and, while we fell short of our objectives in Medical Products, we saw evidence of market recovery toward the end of the year which bodes well for the future.

We had another good quarter in the Healthcare Services division with operating profits of over $1.6 million on revenues of $12.8 million. Revenue growth was a 26% increase over the prior year. Expenses increased 22% year-on-year and continue to be in-line with expected operating standards for hospitals of our size and staffing model.

For the year we reported divisional revenue growth of 31% to $48 million and income from operations of $5 million which was a more than 200% improvement over the prior year. Expenses increased 23% during the year.

The United Family Healthcare network consists of our owned, operated, and UFH branded hospitals in Beijing and Shanghai. In Beijing, this includes Beijing United Family Hospital and Clinics (BJU), and two affiliated satellite clinics. In Shanghai, it includes Shanghai United Family Hospital and Clinics (SHU) and one affiliated clinic.

During the quarter we made significant progress on new healthcenter/clinic locations for new United Family facilities in Shanghai and Guangzhou. We also recently announced the signing of a managementagreement for an outpatient health center in Wuxi. Discussions related to the capital funding necessary for new United Family hospitals in Guangzhou and Beijing are underway. I hope to be able to report more specifics in the near future.

Moving on now to the Medical Products division:

Although we reported a loss on the year for the division, we were encouraged by several positive signs indicating that the market forces which have been impacting us over the past couple of years were moving towards abatement by year end. We are expecting improved performance in the future.

For the year revenues for the division were $58 million, a 7% increase over the prior year. and an operating loss of $1.2 million compared to the prior year loss of $1.4 million.
The results for the quarter were an operating loss of $1.3 million on revenues of $11.9 million. The increase in annual revenues was attributable to the impact of new product introductions over the past year as well as delivery of goods in the fiscal 2007 period under a government-backed financing program and the delivery of goods under a multi-unit government contract. These positive factors were offset by the impact of ongoing reforms by the Chinese government of the procurement process in the Chinese healthcare system, which included increased requirements for public tendering in capital equipment markets, a general slowdown in the growth rate of the market for imported medical devices and delays in the product registrations in certain product categories.

To update you on some high profile situations in the Medical Products division:

Business generated by our loan fianncing group was strong in 2007 and we expect it to grow significantly in the future. Project development activities and negotiations under both of our programs with the German KfW development bank and the U.S. Ex-Im bank are now in high gear. As you know, loan packages under these government backed programs are intensely complex to arrange and administer. We have invested in developing the expertise to conduct this business and expect this investment to yield great results going forward.

We successfully launched the exciting Da Vinci Surgical Robot product line to our mainland China market this year. We delivered the first unit in mainland China to a hospital in Beijing, and installed a second unit in Hong Kong. We have several more daVinci system sales in the pipelines now in China and Hong Kong. While it is impossible to say just how big the market for a system like this will be in China over time, it is clear that just as China has adopted and enthusiastically embraced cutting-edge medical technologies in the past, this revolutionary system will continue to gain popularity for some time to come.

Fiscal 2007 saw increasing penetration in the mid-tier market segments for moderately priced ultrasound systems. Together with Siemens, we launched a new generation of ultrasound products in both the premium and mid-tier markets over the past year. In each market segment the new products represent significant technology developments in diagnostic ultrasound and reestablish the Siemens product offering in both classes at the top of the market. The continuing development of our channels distribution model is the basis for our future growth in the most rapidly expanding portion of the medical device market in China.

We have also discussed in previous calls the negative issues impacting this division that have been with us for several quarters. While we have begun to see recovery from the slow downs in medical equipment purchases that were a result of uncertainties surrounding the Chinese Government's ongoing reforms to its medical procurement process, there are aspects of the reform process which will continue to impact medical equipment sales in the future. These programs include specifically increased regulatory requirements for product registration and public tendering.

We have had a challenging period for the products business and I am often asked what I see as the future for this business at Chindex. My response is that the conditions exist in the market which play strongly to the strengths of our business platform in the division. Chindex has an exemplary reputation for long term commitment to the device markets in China and as the distribution industry consolidates in accordance with Chinese government policy over the coming periods we are in a position to capitalize on the opportunities for comprehensive hospital supply chain business solutions..

I would like to conclude by saying that our improved performance in both division this year, our well developed national brand recognition, mature management team and first mover advantage in both of our segments puts us in an excellent position to reap the benefits of the accelerating in the China healthcare market.

This concludes my update. Before opening to Q&A, Larry do you have any additional comments?

Lawrence Pemble:

Thank you Roberta.

The 10-K will be filed tomorrow.

The Balance Sheet at March 31, 2007 shows Cash up due to continued strong collections in both divisions. Equipment receivables are up a good deal due to the large Kfw loan project revenues remaining uncollected at year end. Merchandise inventories are down year on year. Other current assets increased notably during the period related to the issuing of bid and performance bonds in the products division.

AP and Accrueds increased modestly. ST debt includes the current portion of notes payable on vendor financing terms. down significantly as we paid off a large note due to a vendor and LT debt is substantially unchanged year on year and is comprised mostly of the notes owing to the IFC by the United Family entities.

Roberta,

Roberta Lipson:

Thank you Larry. This concludes the prerecorded portion of our call. We will now open the floor for live Q&A.